

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04

RSC-01 USIA-15 PRS-01 SP-03 EB-11 AID-20 COME-00

AGR-20 TRSE-00 OMB-01 DRC-01 /108 W

----- 040160

R 261915Z JUN 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 7374

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY GUTEMALA

AMCONGEN GUAYAQUIL

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY QUITO

AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A

TAGS: ETRD, CS

SUBJECT: NEWSPAPER REPORTS IMMINENT SALE STANDARD FRUIT

HOLDINGS TO GOCR

REF: SAN JOSE 2338

1. ACCORDING TO AN ARTICLE WHICH APPEARED IN THE JUNE 26
ISSUE OF LA NACIO, PRESIDENT ODUBER HAS ANNOUNCED THAT THE
GOCR HAS DECIDED TO TAKE STANDARD FRUIT UP ON ITS OFFER
TO SELL ITS HOLDINGS IN COSTA RICA. A SUBSEQUENT CHECK WITH
STANDARD'S SAN JOSE REP. DE LA ESPRIELLA, BY AN EMBOFF REVEALED
THAT DE LA ESPRIELLA HAS NOT RPT NOT BEEN INFORMED THAT IT
DESIRES TO BUY OUT STANDARD. DE LA ESPRIELLA STATED THAT HE HAD
NOT HEARD FROM GOCR OFFICIALS SINCE THEIR LAST MEETING WITH
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STANDARD OFFICIALS ON JUNE 14. DE LA ESPRIELLA SAID HE WAS

SURPRISED BY THE NEWS ARTICLE AND WAS "STILL WAITING BY THE TELEPHONE" FOR THE GOCR'S PROMISE TO RESUME TALKS.

2. ACCORDING TO LA NACION, ODUBER STATED YESTERDAY THAT "STANDARD WANTS TO SELL. WE ARE GETTING NEAR TO ESTABLISHING A JUST SELLING PRICE AND WE HOPE TO ARRIVE AT AN AGREEMENT SOON OVER 'SUBSTANCE AND PRICE' AUSZZE LAWYERS TERM ITVX IN ORDER TO CONCLUDE THE TRANSACTION." HE IS QUOTED AS GOING TO TO SAY: "I DO NOT WISH TO BUY (STANDARD), LIKE I HAVE SAID BEFORE, THAT WOULD NOT BE THE BEST FOR THE COUNTRY, BUT THEY ARE EAGER TO SELL AND LEAVE THEMSELVES, LITTLE BY LITTLE, ONLY WITH THE LUCRATIVE BUSINESS OF TRANSPORTATION AND MARKETING OF THE FRUIT. IN TWO WORDS, THEY WOULD LIKE TO LEAVE US WITH THE RISKY PART OF THE BANANA BUSINESS: THE PRODUCTION AND THEY WOULD LIMIT THEMSELVES TO BANANAS PURCHASED IN OTHER COUNTRIES WHERE THEY CAN OBTAIN THE FRUIT WITHOUT RISK. THE QUESTION OF THE TAX IS A MERE PRETEXT, SINCE THEY ARE GOING TO PAY IT IN OTHER COUNTRIES. WHAT IS HAPPENING IS THAT THEY BELIEVE IT MIGHT BE MORE EASY TO DEAL WITH OTHER COUNTRIES. PERHAPS, THEY'RE RIGHT. MY PERSONAL IMPRESSION IS THAT STANDARD PREFERS TO LEAVE (COSTA RICA). I HAVE GOTTEN PRETTY IMMERSSED IN BANANA POLITICS. I HAVE SPOKEN WITH BANANA GROUPS IN THE CARIBBEAN ZONE AND I HAVE CONVERSED WITH MANY EXPERTS. I BELIEVE THAT, IN ANY CASE, ALTHOUGH IT IS THE LAST THING THAT I'D CARE TO DO, AS I HAVE SAID MANY TIMES, IF STANDARD INSISTS ON NOT PAYING THE TAX AND ON LEAVING COSTA RICA, WE WILL ACCEPT THE OFFER TO SELL AND I AM PREPARED TO DO SO."

3. WITH REGARD TO THE BANANA TAX WHICH THE PRESS NOW REPORTS WILL FALL DUE ON JULY 6, ODUBER'S OFFICE IS SAID TO HAVE RAISED THE POSSIBILITY OF EXTENDING A MORATORIUM OF 60 DAYS WHILE DISCUSSIONS CONTINUE WITH BANANA EXPORTERS ON NOW TO IMPLEMENT THE TAX. REPORTEDLY THE INDEPENDENT GROWERS WHO HAVE BEEN SELLING THEIR FRUIT TO STANDARD ARE VERY WORRIED THAT THE INCIDENCE OF THE TAX MAY NOW FALL FULLY UPON THEM.
LANE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, PRESS COMMENTS, BANANAS, BUSINESS FIRMS, NEGOTIATIONS, REAL PROPERTY DISPOSAL
Control Number: n/a
Copy: SINGLE
Draft Date: 26 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANJO02431
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740169-0401
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740612/aaaaajqe.tel
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by martinml>; APPROVED <28 FEB 2003 by WorrelSW>
Review Markings:

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30 JUN 2005

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